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BEFORE THE ARIZONA CORPORATION COMMISSION

25H2

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

IN THE MATTER OF:

Mid America Energy, Inc.,
a Nevada Corporation
129 Haven Street, Unit A
Hendersonville, TN 37075

Mid America Oil & Gas
A Tennessee Limited Liability Company
2023 Earl Pearce Cir.
Mount Juliet, TN 37122-1328

Gary M. Milby a.k.a
Gary Moss Milby a/k/a
Gary M. Milby and
Wanda Milby
husband and wife
129 Haven Street, Unit A
Hendersonville, TN 37075

Jim and Rita Whatcott,
husband and wife
129 Haven Street, Unit A
Hendersonville, TN 37075

John and Lucille Blitz
husband and wife
129 Haven Street, Unit A
Hendersonville, TN 37075

Clinton Goff a/k/a Clint Goff,
an unmarried man
321 Victor Reiter Parkway
Portland, TN 37148

Warren Exploration, LLC
A Nevada Limited Liability Company
321 Victor-Reiter Parkway
Portland, TN 37148

Energy Marketing, Inc.
A Nevada Corporation
129 Haven Street, Unit A
Hendersonville, TN 37075

Respondents.

DOCKET NO. S-20442A-06-0110

Arizona Corporation Commission

DOCKETED

SEP 12 2006

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SIXTH
PROCEDURAL ORDER

1 **BY THE COMMISSION:**

2 On February 28, 2006, the Securities Division ("Division") of the Arizona Corporation
3 Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and a Notice of
4 Opportunity for Hearing ("Notice") against Mid America Energy, Inc. ("MAE"), Mid America Oil &
5 Gas ("MAO&G"), Gary M. Milby a/k/a Gary Moss Milby a/k/a Gary M. Milley and Jane Doe Milby,
6 husband and wife, Jim and Jane Doe Whatcott, husband and wife, John and Jane Doe Blitz, husband
7 and wife (collectively "Respondents"), in which the Division alleged that the Respondents committed
8 multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of
9 securities in the form of investment contracts. As a result of the T.O., the Respondents were
10 immediately ordered to cease and desist from violating the Act.

11 Respondents were duly served with copies of the Notice.

12 On March 27, 2006, Respondents filed a request for hearing. Answers were also filed.

13 On March 28, 2006, by Procedural Order, a pre-hearing conference was scheduled for April
14 20, 2006.

15 On April 20, 2006, at the pre-hearing, the Division and Respondents appeared with counsel.
16 After a brief discussion of the issues raised by the T.O. and Notice, the parties agreed that another
17 pre-hearing be scheduled.

18 On April 21, 2006, by Procedural Order, another pre-hearing conference was scheduled for
19 July 18, 2006.

20 On July 18, 2006, the Division and Respondents appeared through counsel. The Division
21 indicated that a parallel proceeding may be brought and the T.O. and Notice may be amended. The
22 Division and the parties stipulated to a hearing being scheduled in October. By Procedural Order, a
23 hearing was scheduled to commence on October 24, 2006.

24 On August 14, 2006, the Division filed a Motion to Amend the T.O. and Notice ("Motion").
25 Attached to the Motion as Exhibit "A" was a copy of the Proposed First Amended T.O. and Notice
26 which corrects the names of the spouses of certain previously named Respondents, names additional
27 Respondents, and adds additional allegations. There have been no objections filed to the Division's
28 Motion.

1 On September 6, 2006, by Procedural Order, the Division's Motion was granted and the
2 Division was ordered to file and serve the Amended T.O. and Notice upon all parties and the
3 additional named Respondents.

4 On September 8, 2006, the Division filed the Amended T.O. and Notice. The Division also
5 filed a Motion to Continue the Administrative Hearing previously scheduled for October 24 and 25,
6 2006, requesting that at least three days be allocated for any new hearing that is scheduled. The
7 Division further requested the exchange of witness lists and copies of exhibits by the parties be
8 delayed in light of the Division's Motion to Continue.

9 Accordingly, the Division's Motion to Continue should be granted and the exchange of
10 witness lists and copies of exhibits should be held in abeyance pending the rescheduling of the
11 hearing. However, the Division should file certification of service upon the additional parties to the
12 proceeding and pursuant to law, the additional parties are allowed time to request a hearing and to file
13 their Answers before any further proceedings are scheduled. Upon certification being filed by the
14 Division that service has been made upon the additional Respondents, further proceedings will be
15 scheduled and dates established for the exchange of witness lists and copies of exhibits.

16 IT IS THEREFORE ORDERED that the Division's Motion to Continue Administrative
17 Hearing is hereby granted.

18 IT IS FURTHER ORDERED that the hearing scheduled for October 24 and 25, 2006, is
19 hereby continued.

20 IT IS FURTHER ORDERED that the Division shall file certification when the Amended
21 Temporary Order and Notice has been served upon all parties and the additional named Respondents.

22 IT IS FURTHER ORDERED that the exchange of witness lists and copies of exhibits shall be
23 held in abeyance pending the rescheduling of proceedings.

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1 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
2 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

3 Dated this 12th day of September, 2006

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6 
7 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

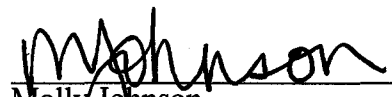
8 Copies of the foregoing mailed/delivered
9 this 12 day of September, 2006 to:

10 Paul L. Stoller
11 BIVENS & NORE
12 3003 North Central Avenue, Ste. 1200
13 Phoenix, AZ 85012-2915
14 Attorney for Mid America Energy, Inc.,
15 Mid America Oil and Gas
16 and Mr. and Mrs. Gary Milby

17 Michael R. Ross
18 GALLAGHER & KENNEDY
19 2575 E. Camelback Road
20 Phoenix, AZ 85016
21 Attorneys for Mr. and Mrs. Jim Whatcott
22 and Mr. and Mrs. John Blitz

23 Matt Neubert, Director
24 Securities Division
25 ARIZONA CORPORATION COMMISSION
26 1200 West Washington Street
27 Phoenix, AZ 85007
28

By:


Molly Johnson
Secretary to Marc E. Stern